been preserved, guided, and trained to a degree of competence of which we are proud. The public domain has not been exploited. Large estate grants—a sore spot in other days—have not been tolerated. The natural inheritance of the Filipino as the owner of his fatherland has not been violated. The Filipino has been encouraged to enter the professions. No door has been closed, no reasonable want has been denied him.

But what does it signify, this gaining of a better economy, if the chief aim of government is the well-being of the people generally? Is it merely crass materialism, or has it improved and enriched the life and spirit of the generality of men and women? The public benefits that have accrued from the wealth created during the last thirty-five years are too numerous to catalogue fully. A few may be sketched:

I. Higher standards of diet, clothing, and housing have lifted the Filipino laborer far above the level on which he formerly lived. 2. State funds have been provided out of which railroads, highways, bridges, and ports have been brought into useful being. 3. State payrolls make possible the highest average salary for government employees and the largest number per capita to be found in the Orient or tropics. 4, Private capital is available for investment in sugar mills, oil mills, stores and offices, land and houses, capital that has been used to modernize the old industries and create new ones. 5. Less tangible but equally important are the acquirement of better health, wider education, and higher scientific and artistic culture, and all the calling of advancing social standards, which come with an expanding and diffused economy.

GOVERNMENT-CONTROLLED COMPANIES GAIN

All government-owned companies showed decided gains during the past two years with the exception of the Manila Railroad Company, which has suffered loss due to optional currency clauses in its 4 per cent Southern Lines bonds and the reduction of freight volume, The Manila Hotel Company showed a net profit of ! Pi22,652.89 for the year 1934 as against a nominal profit of only ^500.19 for the preceding year. The Cebu Portland Cement Company continued its profitable operation with a net profit of F432,510.68

as compared with 5*268,483.73 for the year 1933.

The Philippine National Bank had a profit of ^3,931.266.90 as compared with F3,I53,759-2I in 1933. This favorable showing has been continued in 1935, the first nine months of which show a profit of ^3,060,244.07. These profits include recoveries of charged-off